

CONTACT FOR MEDIA: Ronda Sloan, Department of Insurance, 502-330-1804 or (502) 330-1804 (cell)

FOR IMMEDIATE RELEASE: July 18, 2002

State gets restraining order to halt sale of unauthorized medical malpractice insurance

FRANKFORT, Ky. - The Department of Insurance has obtained a temporary restraining order against several entities and individuals that the agency alleges have been marketing medical and/or professional liability coverage to Kentucky physicians without proper authorization, Insurance Commissioner Janie A. Miller announced today.

Judge Roger Crittenden of the Franklin Circuit Court issued the restraining order on July 10 against Physician's Exchange Association, Inc., Doctor's Liability Exchange, and Reliance General Insurance Company. Individuals named were Richard Bean, Dr. Chester Morris, Dr. Susanne Parisian, Dr. Myron Persoff, Edward S. Nugent, James J. Neal, Sara Carpenter, James "Jim" Jarboe and Mark A. Jacobs. The individuals are officials of or are affiliated with the named entities.

Physician's Exchange Association, Inc. and Doctor's Liability Exchange are located in Atlanta, Ga. Reliance General Insurance Company lists offices in Great Britain and Yugoslavia. According to court documents, Physician's Exchange offers coverage through Reliance General as a benefit of membership.

None of the companies nor any of the named individuals have the necessary authorization to conduct insurance business in the Commonwealth, according to the Department.

The Department is aware of at least one physician who purchased professional liability coverage through this arrangement.